(b) the progress made by a group of Ministers on the recommendations made by the empowered committee of Secretaries on the Fifth Pay Commission report;

(c) the steps being taken by Government in this regard; and

(d) the time by when it is likely to be implemented by Government?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) to (d) The Government have already taken decisions on the major recommendations of the Fifth Central Pay Commission on 18th July, 1997.

Estimated Black Money in the Country

739. SHRI O.P. KOHLI: Will the Minister of FINANCE be pleased to state:

(a) the estimated total black money in circulation in the country at present;

(b) the steps taken by Government to unearth it without resorting to the controversial voluntary disclosure schemes; and

(c) the success achieved thereby?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) An estimate of unaccounted money in the economy was made in 1983-84 by the National Institute of Public Finance & Policy (NIPFP). As per this study the unaccounted money was estimated between Rs. 31584 crore to Rs. 36786 crore.

(b) and (c) The Government has been taking necessary legislative, fiscal and administrative measures, as deemed appropriate, from time to time, to curb the generation and growth of balck money. Rates of taxation have been progressively reduced and slabs of income have been rationalised. At the same time, the Income-tax Act, 1961 contains the number of provisions aimed at curbing the generation of black money. These include, interalia, provisions regarding compulsory maintenance and audit of accounts in appropriate cases under section 44AA and 44AB, restrictions on cash transactions u/s 40A(3) , prosecutions in certain cases under 269SS and 269T, pre-emptive Purchase of properties under Chapter XXC and provisions regarding penalties and prosecution for punishing tax defaulters. The Act also contains provisions for summons, surveys, searches and other investigations to detect tax evasion. These provisions are resorted to in appropriate cases and considerable success has been attained thereby in unearthing black money.

Foreign Investments

740. DR. ALLADI P. RAJKUMAR: Will the Minister of FINANCE be pleased to state:

(a) the ration of actual foreign investment to the approvals given during each of the last three years;

(b) whether this ratio is much lower as compared to East Asian Countries; and

(c) the reasons for law materalisation of approvals and efforts being made to ensure a better materialisation ratio in furture?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) to (c) The infromation is being collected and will be laid on the Table of the House.

Decline in Performance of Corporate Sector

741. DR. ALLADI P. RAJKUMAR: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that performance of the corporate sector is the lowest during 1996-97 over the past 10 years indicating an allround decline, as brought out by the Centre for Monitoring Indian Economy (CMIE) on the basis of the preliminary results for the year ending March 1997 for over 700 companies;

(b) if so, the detailed reasons for this dismal performance and the pointers this study provides for the Indian economy; and

(c) the steps Government propose to take to give boost to the corporate sector?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) An updated study by the centre for monitoring Indian Economy (CMIE) of 1724 non- finance private sector companies (as broght

out in their Monthly Review of June, 1997) indicate that while the growth of net profit of these companies declined by 10.6 per cent in 1996-97, the gross profit margin and net profit margin grew by 16.6 per cent and 6.2 per cent respectively, in 1996-97. Compared to 1994-95 and 1995-96, the growth of gross profit margin and net profit margin of these companies were lower in 1996-97 but higher than those during the years between 1987-88 and 1993-94.

(b) the decline in profit of the companies in 1996-97 could be attributed to a combination of factors, such as high cost of interest and depreciation, provision of MAT compelling hitherto zero tax companies to pay a tax for the first time and slowdown in export growth.

(c) Government have taken various policy measures which are likely to stimulate industrial investment and production. The Union Budget 1997-98 announced reduction in corporate and other taxes which will have a favourable impact on the industrial sector. Further, ECB guidelines have been liberalised so that corporates have access to international capital market. The RBI, in its monetary and credit policy (April 1997) have signalled downward trend in interest rates which has resulted in decline in interest rates in financial markets.

Loans Advanced to Industrial units by Financial Institutions

742. SHRI GYAN RANJAN: Will the Minister of FINANCE be pleased to state:

(a) the names of industrial units which have been advanced more than Rs. 25 crores in the four zones of the country by financial institutions such as IDBI, ICICI, IFCI and others;

(b) their location and the amount advanced to each Industrial Unit;

(c) the names of defaulters in the repayment of the loan and whether some of these defaulters have again been advanced some amount, if so, the amount advanced in each case and the reasons therefor;

(d) the criteria and the policy under which such loans were granted; and

(e) whether Government have taken any action against the defaulters; if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) to (e) The information is being collected and will be laid on the Table of the House to the extent available and permissible under the Rules.

Impact of Losses incurred by ITC on Investors

743. SHRI GYAN RANJAN: Will the Minister of FINANCE be pleased to state:

(a) whether the Public Financial Institutions, which have substantial stake in ITC, have failed to protect the interest of common investors and Government's money;

(b) whether some Directors are responsible for this failure;

(c) the total loss incurred by ITC and the component of the loss on account of large arrears of excise duty payable by ITC;

(d) the persons responsible for the loss and what action has been taken by the financial institutions in this regard;

(e) the financial institutions which have failed to take any action and whether Government would order a CBI inquiry in the metter; and

(f) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) ITC Limited is a private section company and the Board of Directors of the company or the shareholders in the general meetings of the company, as the case may be deal with issues relating to the company.

Industrial Development Bank of India (IDBI) has, however, reported that the common investors in a company are inter-alia interested in regular dividend payment by the company and appreciation in share price. During the year 1997, the company has declared 35% dividend as against 25% during 1996 and the share price has appreciated over the last one year from Rs.